United States Department of Agriculture
Foreign Agricultural Service

U.S.-Korea Trade Agreement
What's At Stake for Pork?

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The U.S.-Korea Trade Agreement (KORUS agreement) will provide America's farmers, ranchers, food processors, and the businesses they support with improved access to the Republic of Korea's $1 trillion economy and 49 million consumers. Under the agreement, nearly two-thirds of current U.S. agricultural exports will become duty free immediately and lower tariffs will benefit both U.S. suppliers and Korean consumers.

The KORUS agreement will help the United States compete against Korea's other major agriculture suppliers and keep the United States on a level playing field with Korea's current and future trade partners. Korea finalized its trade agreement with the European Union (EU) in October 2009 and presently has trade agreements in place with Chile, India, and the 10-country ASEAN group. In addition, the country is negotiating new trade agreements with Canada, Australia, New Zealand, and China. Most of these countries are U.S. competitors.

If the United States fails to implement the KORUS agreement, it will likely see its share of Korea's total agricultural imports, which stood at nearly 30 percent in 2009, steadily erode.

With the Agreement…
Korea's tariffs on imports of more than 90 percent of U.S. pork products will become duty free on January 1, 2016, date-certain, with many tariffs phasing out sooner. This includes all frozen pork products as well as some fresh and processed pork products. Date-certain, duty-free access provides U.S. pork producers an advantage over the European and Canadian exporters in the highly competitive Korean market. Like the Korea-EU trade agreement, fresh pork bellies and miscellaneous fresh cuts are subject to a safeguard that will be phased out at the end of 10 years.

The Trade Situation…
For many years, Korea has been an important market for U.S. pork exporters. From 2007 through 2009, U.S. suppliers shipped an average of 87,000 tons of fresh, chilled, or frozen pork annually, valued at $205 million. Tariffs on fresh and chilled pork are 22.5 percent, while tariffs on frozen pork are 25 percent. In 2003, the United States shipped 13,000 tons of pork, holding 11 percent of the import market. By 2009, the United States shipped over 90,000 tons and controlled 31 percent of the market. U.S. pork still faces strong competition from the EU, Canada, and increasingly Chile.